



2022 Sustainability Disclosures

Reporting aligned with the Sustainability Accounting Standards Board (“SASB”) Standards and including other Supplementary Disclosures

About these Sustainability Disclosures

These Sustainability Disclosures are being provided for Ares Management Corporation (“Ares” or the “Company” or the “Firm”) (NYSE: ARES). These disclosures are comprised of two types of content:

- 1) Reporting presented in accordance with the SASB Standards for Asset Management and Custody Activities; and
- 2) Supplementary Disclosures considering input from our stakeholders and GRI Standards

What is SASB?

SASB Standards enable organizations to provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value. According to the IFRS Foundation, the Standards were developed using a rigorous and transparent standard-setting process that included: evidence-based research; broad and balanced participation from companies, investors and subject-matter experts; and oversight and approval from the independent SASB Standards Board.

In August 2022, the IFRS Foundation assumed responsibility for SASB Standards when it merged with the Value Reporting Foundation (VRF), the global nonprofit that previously maintained these Standards. The International Sustainability Standards Board (ISSB) was created by the IFRS Foundation to respond to the demand for transparent financial-related sustainability disclosures and has committed to building on the industry-based SASB Standards. The ISSB encourages companies and investors to continue to support and use the SASB Standards until they are replaced by IFRS Sustainability Disclosure Standards.¹ For additional information on SASB Standards, please refer to: <https://www.sasb.org/>.

In addition, our investment teams regularly use the SASB framework to identify material ESG issues when evaluating their investment decisions. In our view, using the same criteria for our own corporate disclosures enhances the consistency of our approach to both corporate sustainability and responsible investment.

What are Supplementary Disclosures?

Supplementary Disclosures refer to information beyond SASB Standards that Ares Management believes are important to our stakeholders and business. For more information on the issues that we believe matter most to our stakeholders, please see page 4 of our [2022 Sustainability Report](#).

Where noted, these Supplementary Disclosures consider GRI Standards. According to GRI, the GRI Standards enable an organization to publicly disclose its impacts on the economy, environment, and people and how the organization manages these impacts. For additional information on GRI, please refer to: <https://www.globalreporting.org/>.

As global frameworks evolve, we will continue to evaluate alignment to other reporting standards.

¹ According to the IFRS Foundation. The development of IFRS Sustainability Disclosure Standards is subject to due process.

Relevant ESG Topics

Topic	Reference
Human Resources	
• Supporting & Developing Talent	Page 4
• Diversity, Equity & Inclusion	Page 9
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• Relevant Human Resources Policies	Page 19
Climate Change - See TCFD Report	Link
Responsible Investment	Page 22
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Supporting and Developing Talent

At Ares, we invest in our teams and strive to create an inclusive and values-driven culture to make us an employer of choice in the industry. Through meaningful training, development, and growth opportunities, coupled with compelling benefits and compensation, we aim to engage and retain our most important asset, our people.

Key Links: [2022 Sustainability Report \(p. 10\)](#)

Supplementary Disclosure: Employee Benefits and Efforts to Promote Employee Well-Being (Considers GRI 401-2)

Ares Benefits

The benefits philosophy at Ares centers around four pillars of wellbeing: physical, financial, mental and social. Benefits are provided to full-time and full-time fixed-term employees, as well as part-time and part-time fixed-term employees working 20 or more hours per week.

Benefits are reviewed on a periodic basis to ensure appropriateness and competitive positioning in the market. Where possible, services are delivered both in-person and virtually, aiming to provide support to employees as comprehensively as possible.

Below is a summary of Ares benefits for U.S. employees; we offer similar benefits tailored to the international jurisdictions in which we operate:

- Medical insurance
- Dental insurance
- Vision insurance
- Life insurance
- Disability/income protection insurance
- Retirement benefits
- Medical advisory team
- Paid lunch benefit
- Competitive annual leave, as well as “August Work From Anywhere” and Winter Break schemes
- Community solar benefit for home electric power generation in participating U.S. states
- Pre-tax commuter and healthcare benefits
- Identity theft and fraud protection benefits

Policies and Benefits Supporting Working Families

Ares recognizes that building and supporting a family is an expensive, sometimes stressful proposition, and the policies below reflect our commitment to assist team members as they endeavor to fulfill their responsibilities at work and at home, however they choose to construct a family.

- New parent leave for primary caregivers (20 weeks paid for birth mothers and adopting primary caregivers)
- New parent leave for non-primary caregivers (4 weeks paid)
- Adoption Assistance Program
- Reproductive Assistance Program
- Breast milk shipping benefit
- Back-up care benefits of 10 paid days per year (for childcare and elder care)

- Newborn baby baskets for new parents
- Domestic partner health and life insurance benefits
- Mental health benefits including a clinical component
- New Parent Leave Transition Guide, providing best practices, tips and templates for new parents and their managers as they prepare for their leave

Policies and Benefits Supporting Wellbeing

Additionally, Ares provides the following benefits and policies to support employee wellbeing:

- Ginger Mental Health App
- Headspace App
- Employee Assistance Program (EAP)
- Equinox Gym membership discounts
- Gym Membership Reimbursement & select Onsite Fitness Centers

Equitable Access to Healthcare

As a Firm, we believe that it is important to provide all our employees with equitable access to healthcare within their region. As such, we adjusted our benefits to provide additional resources to those who cannot access certain types of care in their state of residence.

Supplementary Disclosure: Leadership Development and Employee Training (Considers GRI 404-1 and 404-2)

Ares offers a wide range of training and development for all employees to enhance their skills in their current roles and invest in their future potential. Over the past year, we made significant investments in the development and retention of our talent, including delivering an extensive array of programs, revamping key talent management processes, and investing in tools and resources.

In 2022, we delivered over 70 training and development programs, including both internally and externally developed content and virtual and in-person experiences. In addition, Ares rolled out our first-ever enterprise-wide Learning Management System (LMS) and launched Coursera, a comprehensive library of over 3,000 self-directed training and development resources.

Ares encourages employees to participate in continuing education opportunities that further their professional development. Our Education Reimbursement Program allows for reimbursement of professional certifications, business-related courses, and academic degrees. For academic degrees, active, full-time employees who have been with the firm for 12 months are eligible to receive up to \$12,000 per calendar year and \$48,000 per lifetime. Additionally, Ares employees may participate in business-related seminars, workshops, programs to maintain job-related licenses and other job-related certifications; eligibility and reimbursement for these vary by program.

Our pipeline Intern Program in the U.S. has been a key source of organic growth over the past few years. Each summer, we host rising seniors from top universities for a 10-week internship program focusing on training, developing, and evaluating undergraduate students for potential full-time roles. In 2022, Ares undertook significant efforts to enhance both the Intern Training Program and Analyst and Associate Training Programs. The Intern Training Program includes upfront technical training, an internal speaker series, social and networking events, and a formal mentor program. In 2022, 93% of Ares interns converted to full-time employment and 63% of them identify as either female or from historically underrepresented groups. Upon hire, Analysts and Associates participate in a multi-week upfront orientation training, comprised of technical training, internally led business-specific training, professional development training, and a formal mentor program.

In 2023, we will continue to invest in our people, including increasing our suite of self-directed learning focusing on DEI specific content, creating and enhancing promotion criteria for all roles, and expanding our junior talent development efforts.

Supplementary Disclosure: Employee Appraisals and Feedback Process (Considers GRI 404-3)

At Ares, our Performance Management approach is critical in creating a culture of frequent and transparent feedback and establishing strong connectivity between managers and employees with clear expectations that support the execution of our business. Our “Four Conversation Framework” creates a roadmap for success by setting milestones throughout the year, focusing on career development and growth, and creating a more equitable and consistent employee experience. The Four Conversations include Goal Setting, Mid-Year Check-In, 360 Feedback and Year-End Review, and Compensation and Promotion discussions, all of which are supported by training, resources and systems that help facilitate these important conversations between employees and managers. At each milestone, we provide resources, such as Quick Reference Cards, and training designed for both managers and employees to help them prepare for and optimize these conversations. Our process is supported by the Via People system, which has been customized for Ares’ use, and includes tracking mechanisms so that we can measure our progress and completion rates.

In 2022, over 90% of our employees completed 360 and Year-End Reviews.

In 2023, we will continue to refine our approach to Performance Management to drive culture and business goals, including revamping our 360 Process.

Supplementary Disclosure: Employee Feedback and Culture Assessments

At Ares, we value employee feedback to create a culture of equity and belonging. We gather employee feedback using several different methods. This feedback helps us identify areas where we can improve the work environment and employee experience. We are committed to addressing the feedback obtained through these surveys, with the goal of driving employee engagement and productivity, leading to better business outcomes. Additionally, conducting employee surveys on a regular basis allows us to track progress over time and measure the impact of the changes we make. Our robust survey approach includes:

- **Employee Surveys:** We conduct a global employee engagement survey annually, at a minimum. The topics range from engagement to career development, leadership, diversity, compensation, benefits, onboarding, and culture. In response to this survey, the Human Resources team partners with business leaders to address feedback, including ways to increase communication, drive collaboration, and improve our benefits offerings. We have demonstrated a commitment to implementing changes over the past two years as a direct result of feedback received through our employee surveys. For example, in response to employee feedback regarding flexibility, we implemented our August “Work from Anywhere” initiative, which allowed all Ares employees globally to work flexibly for 3 weeks at the location of their choosing. In addition to our annual employee engagement survey, we administer several other surveys throughout the year to capture feedback from various employee populations. (e.g., for new joiners, employees at the 45-day mark, ad hoc pulse surveys for specific teams, exit surveys).

- Third-Party Diversity Equity and Inclusion (DEI) Assessment:** In partnership with a third-party consultant, Ares deploys a rigorous 3-part assessment to diagnose the current state of diversity, equity and inclusion efforts and help us define our long-term strategic priorities. In 2021, we first deployed this 3-part assessment to measure and benchmark DEI functional maturity, talent pipeline representation across role and level, and inclusion by diversity dimension. Ares then used that data to develop a multi-year strategic plan with measurable KPIs and specific milestones. We are preparing to deploy a refresh of this 3-part assessment in 2023, gathering the first set of time-series data, which will be used to help identify potential changes in our journey to further include diversity, equity and inclusion in our culture. The refresh of this data will allow us to evaluate how we can continue to create an environment in which any individual group can feel welcome, respected, supported and valued, and where all people can fully participate and actively contribute.
- Great Places to Work:** In October 2021, Ares surveyed their employee populations in the US (for the second time) and the UK and India (for the first time) through Great Places to Work and received certification in each location from October 2021 - October 2022. Of the employees who answered the survey, 87% of employees in the US and 92% of employees in the UK and India responded that Ares is a great place to work, 96% have trust in our leadership, and 92% feel that management creates an inclusive environment.
- Pensions & Investments Best Places to Work in Money Management:** Since 2021, Ares has participated in this employee survey which examines the practices, programs and benefits of the top employers in the investments industry. Over 100 employers participate in this survey and Ares has been recognized in the top 5 employer's category for each of the past 2 years.
- Human Rights Campaign (HRC):** In 2021, Ares received a perfect score of 100 on the HRC Foundation's Corporate Equality Index (CEI), the nation's foremost benchmarking survey and report, which measures corporate policies and practices related to LGBTQ workplace equality. The results of the 2021 CEI showcase how 1,142 U.S.-based companies are not only promoting LGBTQ-friendly workplace policies in the U.S., but also show that 57% of CEI-rated companies with global operations are helping advance the cause of LGBTQ inclusion in workplaces abroad. Ares' efforts in satisfying all CEI criteria earned the firm a score of 100 points along with the designation as one of the Best Places to Work for LGBTQ Equality.
- Seramount:** Since 1986, Seramont has surveyed organizations that are committed to women's advancement, diversity and inclusion, and family-friendly workplace culture. Their lists and indexes set the standard for best practices around workplace policies and encourage the implementation of programs that improve company culture and measure results. Due to our efforts, in 2022 Ares achieved the following awards: Inclusion Index, 100 Best Companies, and Best Companies for Dads, in which we were ranked in the Top 10.
- Employee Resource Group ("ERG") Focus Groups:** In partnership with a third-party consultant, Mindr, we conducted an ERG focus group with select ERG leaders to get a pulse on morale within each ERG's community. These conversations provided valuable information on the issues and challenges facing our diverse talent at Ares, and we were able to gather insights to form our strategic priorities for the firm and our communities.

Quantitative Data – Supporting and Developing Talent

Supplementary Disclosure: New Employee Hires and Employee Turnover (Considers GRI 401-1)

	Total	Female	Male
Total Headcount	2,563	38%	62%
New Hires	785	41%	59%
Separations	339	40%	60%
Average Years Employed at Ares	3.4	3.2	3.5
Employee Turnover (voluntary/involuntary/total)	10.3%/3.9%/14.3%		
Regrettable Voluntary Turnover ²	6.1%		
5 Year Average Employee Turnover	13.5%		

As of December 31, 2022.

Supplementary Disclosure: Parental Leave (Considers GRI 401-3)

All employees are eligible for parental leave when they become parents, biologically, via adoption or via surrogacy. Employees voluntarily notify Human Resources when they become parents.

	Total	Female	Male
Employees on parental leave in 2022	87	51	36
Employees returned to work in 2022 after parental leave	84	49	35
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	82	47	35
Return to work rates of employees that took parental leave	97%	96%	97%
Retention rates of employees that took parental leave	94%	92%	97%

As of December 31, 2022.

² Represents regrettable voluntary terminations divided by average headcount.

Diversity, Equity & Inclusion

Diversity, equity and inclusion, in all its forms, is key to Ares' culture and long-term success. We believe our performance is directly attributable to the talent we can attract and retain. By celebrating our team members' diverse experiences, backgrounds and perspectives, we believe Ares is positioned to realize favorable outcomes for our investors and for the firm. Additionally, we believe that we should be part of the solution in promoting equity, equality, and social justice within the communities in which we operate. To support our diverse workforce and enrich our work environment, Ares offers a multitude of initiatives, programs and policies that reflect our values-driven culture.

Key Links: [2022 Sustainability Report \(p. 11\)](#), [2022 DEI Annual Report](#)

FN-AC-330a.1: Percentage of gender and racial/ethnic group representation for (1) executive management, (2) nonexecutive management, (3) professionals, and (4) all other employees

Approach and Commitment to Diversity, Equity & Inclusion

Our DEI framework and strategy harness the power of difference to be a force for good and contribute to the long-term success of Ares, the companies in which we invest, and the communities in which we operate. We seek to generate quality returns for our investors by building diverse teams and cultivating a culture where people can be their authentic selves. This culture provides a range of welcomed perspectives and ways of thinking, ultimately benefitting our investment process and support infrastructure.

While we seek that our team's diversity profile to reflect the underlying diversity levels in the communities where we operate, we recognize that this representation and equity do not currently exist broadly in our industry. We seek to be a leader in enacting programs, policies and partnerships that advance representation, educate our existing team and support and empower our underrepresented employees to rise within the firm.

Governance and Accountability

In 2018, we convened a formal DEI Council with representation across our business groups, led by our Co-Founder and Executive Chairman, Antony Ressler, and our Global Head of Human Resources, Jessica Dosen. The mission of the Ares' Diversity, Equity & Inclusion Council is to establish well-orchestrated strategies and operating plans that incorporate business alignment and leadership accountability to drive measured success across key focus areas of our strategy.

In 2021, we hired Indhira Arrington to serve as our global Chief Diversity, Equity and Inclusion Officer (CDO). Given the importance of DEI within our organization, our CDO reports to both our Global Head of Human Resources and our CEO, Michael Arougheti. Today, the DEI Council continues to be led by our Executive Chairman in partnership with our CDO and is comprised of members of Ares' Executive Management Committee, Employee Resource Group (ERG) leaders, and others, including a select group of diverse and high-performing, early career talent across the firm.

The DEI Council meets quarterly to provide governance and oversight of select diversity efforts and discuss accountability for results. It is a critical driver in fostering real organizational change, establishing a dedicated focus on diversity and inclusion priorities, and managing the DEI strategy.

The Council works closely with the DEI team to support the execution of firmwide priorities and drive accountability across the firm for DEI outcomes through its four distinct sub-committees:

- **Business and Investment Process** sub-committee focuses on including DEI in our business processes and investment platform in an effort to drive innovation and returns
- **Talent Acquisition and Representation** sub-committee focuses on attracting and developing relationships with top talent to enhance diversity representation across both levels and functions at Ares
- **Culture and Talent Development** sub-committee focuses on supporting the development and advancement of diverse talent, promoting an inclusive culture through leaders who have the skills to optimize and harness diversity within the organization
- **Partnership and Philanthropy** sub-committee focuses on partnering with organizations to foster diversity within our communities and promote corporate citizenship through charity and volunteerism.

Promoting Diversity in Recruitment and Employee Retention

We believe that recruiting, when coupled with the welcoming, inclusive environment we create through our firm's culture and programs, is a key factor in enhancing long-term diverse representation and equity at our firm.

- **Aspirational Goals:** As part of our 2023 strategic priorities, we launched aspirational goals with the aim of increasing representation of women, Black and Hispanic talent across multiple levels at the firm. This approach will allow for enhanced alignment and accountability around Ares' commitment to advancing diversity, equity, and inclusion in the asset management industry and will facilitate the advancement of specific firmwide priorities. These goals are anchored in historical hiring trends at the firm, as well as the representation of diverse candidates. While they are aspirational, we believe they can be achieved with a more intentional focus on attracting diverse candidates through our traditional recruiting channels, as well as our diverse corporate partnerships. We look forward to making progress each year toward these goals and exploring new ways to increase representation across other dimensions of diversity in the future.
- **Pipeline Internship Program:** Internships are offered to students between their junior and senior year of college with the possibility of full-time hire into our analyst program upon graduation. Available roles span our investment and investor relations teams. Our 2022 pipeline intern class exceeded our campus recruiting diversity targets, with 46% women and 37% ethnic diversity.³
- **Early Pipeline Program for Women in Alternatives:** In October 2020, we launched an early pipeline program for women in alternatives, with 35 women in their sophomore year in college selected to participate in a 5-day program facilitated by Ares employees and outside vendors, with the intent to educate and attract women to the alternative asset management industry.

³ We define "ethnically diverse" as Asian, Hispanic or Latino, Black or African American, American Indian or Alaska Native, Native Hawaiian or other Pacific Islander or two or more races.

This has become an annual program, with a spring and a fall contingency in 2022, and our objective is to have participants return as interns in the Pipeline Program.

- **Enhancing Agency Relationships in Service of Diversity:** Identification of new agency relationships that specialize in sourcing diverse talent, as well as holding existing recruiting agencies more accountable to providing a robust diverse candidate pool for open roles.
- **Diversity Best Practices in Interviewing:** At present, Ares has instituted a diverse candidate slate mandate in the U.S. where recruiters will present at minimum four candidates for consideration and interviewing by hiring managers, and at least 50% of those first round candidates must be diverse. Dimensions of diversity include, but are not limited to, gender, race, sexual orientation, military experience and disability. Outside of the U.S., we highly encourage the best practice of mandating diverse candidate slates. Ares is working towards the goal of expanding this mandate in 2023. Furthermore, we are working to determine how to apply what we have learned from setting specific goals within our junior recruiting efforts to increase representation across dimensions of diversity within our broader talent pipeline. As part of this broader effort we plan to launch inclusive interview training in 2023 for hiring managers. This training will focus on identifying and mitigating unconscious bias in the interview process and will provide hiring managers with best practices to ensure equity in candidate assessments.
- **Strategic Corporate Partnerships:** To support our diverse workforce and enrich our work environment, Ares cultivates relationships with organizations focused on driving diversity and inclusion across industries to enhance our culture, tangibly and materially impact our diversity recruiting pipeline, and further demonstrate our commitment to being an employer of choice for diverse talent. Some of these organizations include Management Leadership for Tomorrow (MLT), Girls Who Invest, Out for Undergrad, Toigo and Hispanic Scholarship Fund.
- **AltFinance:** AltFinance: Investing in Black Futures is a 10-year, \$90 million initiative⁴ established by Ares in partnership with Apollo Global Management, Inc. and Oaktree Capital Management, L.P. to help diversify the financial services industry, with a specific focus on investing in Black talent. The AltFinance initiative is administered by ALT Finance Corporation, a non-profit organization established by the three founding firms. The initiative has three primary components: a mentored fellowship program, a tailored virtual institute and a scholarship program. Fellowships will provide select students at the partner HBCUs with the opportunity to work directly with a mentor and learn about finance and alternative investments. The fellowship program will be run in partnership with Management Leadership for Tomorrow (MLT), a national nonprofit organization working to ensure that Black, Hispanic/Latino and Native American people reach and thrive at the highest levels of corporate America. AltFinance fellows will also have access to needs-based scholarship funding. The goal is to ensure money isn't a barrier to exploring and preparing for a career in alternative investments. The Wharton School of the University of Pennsylvania has created a best-in-class virtual institute to offer educational materials and tools necessary to excel in the alternative investment industry and will continue to provide participants with relevant coursework and other supplementary content developed by top professors and finance professionals. See [AltFinance website](#) for more details. Through this initiative, we were able to extend 8 offers to AltFinance Fellows for our Summer 2023 internship program.

⁴ Ares expects to contribute up to \$30 million over 10 years. The actual amount contributed may be less than this amount.

Mentorship, Training and Networking

Hiring more diverse talent, in and of itself, will not necessarily result in a more diverse future. We recognize that we must actively work to retain diverse team members and develop their careers at Ares. This is why we place emphasis on inclusion and belonging, as it is imperative that our culture and environment reflect our welcoming values and provide ample opportunities for careers to flourish. Our employee policies, the Ares Employee Community programs, and our mentorship, training and networking efforts are key pillars in our retention strategy.

Additionally, we track employee engagement surveys and exit interviews internally so we can understand and intervene if and where we see patterns, potential concerns, or outsized attrition in a particular area or across a particular diverse group. We look forward to expanding our onboarding program for diverse new hires to include linkages with our Employee Resource Groups (ERGs), who can help coordinate informal mentoring relationships, providing another layer of support for a positive experience at the firm.

We believe that mentorship, training, and networking opportunities play a vital role in supporting and retaining diverse team members and supporting them on their career journeys at Ares. Our mentorship and professional development efforts are geared toward women and racially or ethnically diverse talent across the Ares footprint and include:

- **Mindr Mentorship Exchange:** This is an internal mentorship program facilitated by Ares' partner, Mindr, a workforce development organization. The program was designed by Ares' ERGs in partnership with the Human Resources team and seeks to pair Ares colleagues together for a series of one-on-one and small group sessions with the goal of driving forward the professional development goals of the participants.
- **Ares Pipeline Internship Mentor Program:** We have a formal mentorship program for our summer interns, where our incoming diverse students are paired with a mentor from one of our corresponding ERGs.
- **Beyond Barriers, Accelerating Women in Leadership Coaching Program:** This coaching program is designed for women VPs and above who are considered top talent. The program addresses challenges faced by women in the "frozen middle" (early to mid-career).
- **McKinsey Executive Leadership Program:** This program hones executive leadership capabilities of diverse talent through cohort-based discussions and modules focused on real-world challenges and driving transformative personal and professional change.
- **McKinsey Management Accelerator Program:** This program enhances leadership and general management skills of diverse talent through cohort-based discussions and asynchronous modules focused on setting and leading a business strategy, problem-solving for impact, and functional deep dives.
- **50/50 Women on Boards:** For the past 3 years, Ares has participated in the 50/50 Women on Boards conference. 50/50 Women on Boards is the leading global education and advocacy campaign driving the movement toward gender balance and diversity on corporate boards.
- **Sponsorship Program:** Sponsorship has been shown to be a key element when it comes to an employee's long-term success at an organization. To ensure the best of our diverse talent is enabled to succeed, we will be piloting a sponsorship program in 2023. This program will focus on facilitating sponsorships across demographics, and levels at the firm. We look forward to the launch of this initiative.

In addition to our recruiting and development efforts, we have implemented:

- **DEI Strategy Reviews:** Beginning in 2019, our Human Resources Business Partners commenced a formal review process with Business Unit Heads to analyze DEI performance metrics and develop strategies to attract and retain diverse talent within their business units and functions. Today, the DEI team continues this practice in partnership with our Talent Management team to ensure adequate focus on cultivating and sustaining an inclusive work environment and diverse workforce. In these regular meetings with senior leadership, DEI metrics specific to each business unit are reviewed and assessed. Through this collaborative approach, leadership is better empowered to implement best practices that support diversity in interviewing and hiring methods, identify key retention levers to support diverse team members, and foster a culture of inclusion that embraces all forms of diversity. In 2023, these discussions will also include progress against the abovementioned aspirational goals.
- **Unconscious Bias Toolkit for Talent Reviews:** To mitigate the effects of unconscious bias in talent reviews, we developed an unconscious bias toolkit which was embedded in the talent review process in 2022. This toolkit serves as a practical guide for understanding, identifying, and disrupting various types of unconscious bias, particularly as it relates to assessment of performance. It was distributed to every business unit leader and leveraged in active conversations to attenuate bias and reinforce equitability.
- **Unsolicited Feedback for Culture Carriers:** We do not take for granted all that our employees do to promote the success of the firm's business objectives and talent strategy. To ensure their efforts are adequately recognized, we provide unsolicited 360 feedback for employees who have made meaningful contributions to our culture through their involvement in a variety of Human Resources-related initiatives. These individuals, identified both through nominations and the year-end talent review process, truly exemplify the firm's values and help the firm lead important, culture-related initiatives such as our campus recruiting efforts, AIM commitments, ESG initiatives or ERG involvement.

Fostering Inclusion

Our engagement strategy is focused on bringing people together and celebrating our unique experiences, backgrounds, and perspectives. As one firm, we are comprised of many distinctive parts that together influence innovation, performance, and thought leadership. Building and maintaining a diverse culture of belonging is a shared responsibility for employees and senior leaders alike. We seek to leverage the firm's full potential by promoting and supporting events and activities that celebrate diversity and develop an awareness of inclusion and belonging throughout our organization, as well as give back to the broader communities where we work.

- **Employee Resource Groups:** Our Employee Resource Groups (ERGs) are grassroots employee-led, executive-sponsored groups, that focus on enhancing inclusion and diversity, educating employees about different cultures and backgrounds, and providing support to underrepresented team members at the firm. As part of Ares' commitment to promoting diversity and supporting the ERGs, a Partner at Ares is selected to serve as an Executive Sponsor for each ERG. In this role, Executive Sponsors guide and support the ERG's strategic agenda and initiatives and give voice to the needs of the ERG as a member of the DEI Council. This support ranges from high-level strategic planning to day-to-day ERG operations. ERGs are further supported through advisory services offered by the DEI team. ERG membership is open to all employees, with current firmwide enrollment at 45%. Our current ERGs include:

- **Ares Black Alliance (ABA):** ABA focuses on leadership, development, and recruitment of Black talent, as well as giving back to the community.
- **Ares Network of Empowered Women (ANEW):** ANEW focuses on expanding the representation of female professionals at every level and helping women develop skills to advance their careers.
- **Out at Ares:** Out at Ares promotes an inclusive, respectful, and diverse workplace environment at Ares that empowers LGBT+ employees and their families.
- **Mosaic:** Mosaic is focused on creating an environment in the workplace in which all diverse employees from multicultural backgrounds can thrive.
- **Unidos:** Unidos' mission is to celebrate the Ares Latinx community, advance and retain existing talent, connect employees with educational resources and give back to the community.
- **Disability Resources Around Me (DREAM):** DREAM is a community for employees whose lives have been touched by a disability, whether visible or invisible, striving to raise awareness of the challenges faced every day by these employees and their loved ones, by providing disability resources in line with Ares' employee-friendly work environment.
- **Elevating API Voices (EAV):** EAV's mission is to create a supportive environment, facilitate professional development, and promote educational, cultural, and social awareness for Asian and Pacific Islander (API) employees and their families to help advance Ares' DEI principles of fostering diverse talent, promoting an inclusive workplace, and enriching the work environment.
- **ERG Educational Events and Celebrations:** Ares recognizes that educational and community-building events and celebrations play a significant role in fostering inclusion and diversity. We are proud of our leadership and grassroots commitment to these efforts, which reflect the priorities and values of our firm. Our ERGs are empowered to lead events throughout the year, including celebrating history and heritage months such as Black History Month, Pride Month, Hispanic History Month, Asian and Pacific Islander Month, Women's History Month, and Disability Awareness Month. Since 2020, we have continued to increase our investment in our ERGs to grow and facilitate our in-person programming and virtual events as part of the broader DEI strategy. This past year, we held 42 events focused on celebrating diversity, increasing awareness and cultural competencies, and 56 networking events to drive inclusion and connectivity. Some ongoing programs led by our ERGs include:
 - **Building Belonging Series:** Each ERG partners with subject matter experts during their awareness month to deliver firmwide events for our Building Belonging Series. This series is focused on facilitating positive intergroup interaction, reducing prejudice and discrimination, and generally teaching individuals how to work together effectively. Topics include Anti-Racism, Allyship, Unconscious Bias, Inclusive Leadership, Intersectionality, Cultural Competency, and the day-to-day experience of underrepresented groups.
 - **My Story Program:** My Story is an informal and open forum where employees can engage with senior professionals at Ares (Partners and Managing Directors) to understand their career decisions, adversity they have encountered along the way, and lessons learned along the path to success. In addition to learning about these leadership journeys, this is an

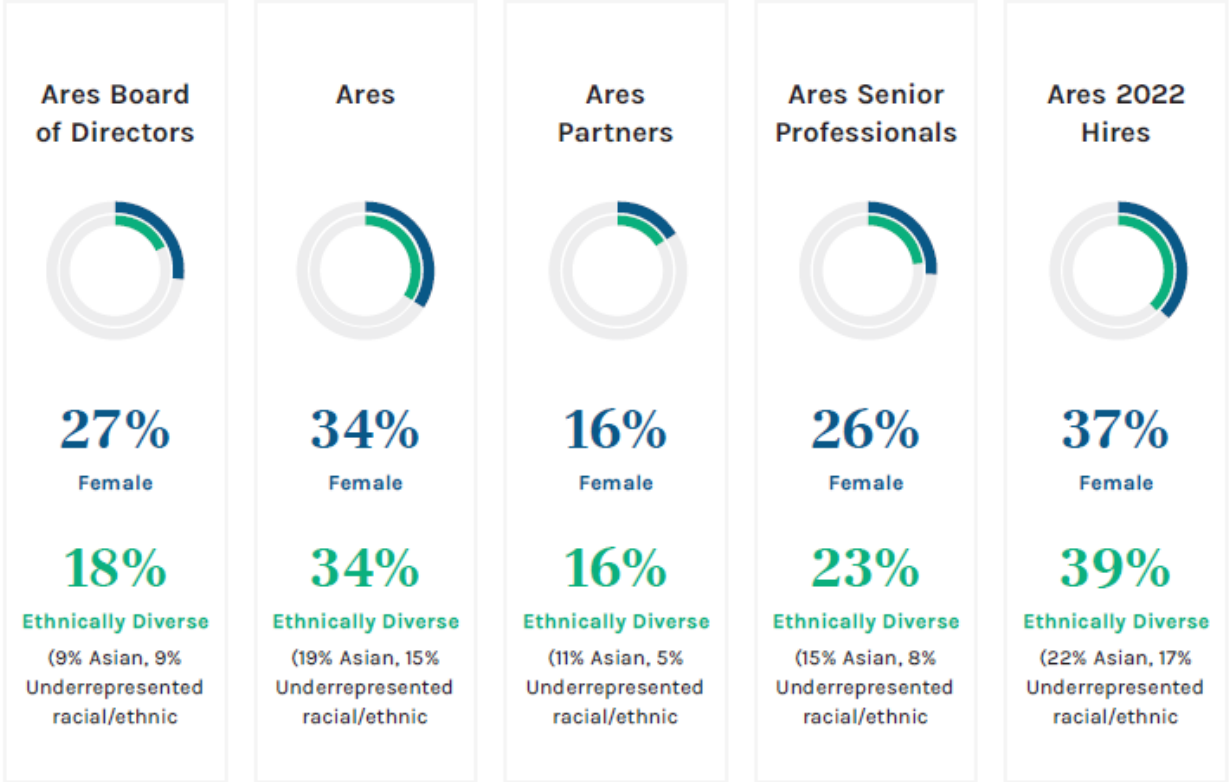
opportunity for the individuals attending to build their network across groups within the Ares community.

- **American Sign Language (ASL) Courses continuing educational courses:** Employees and their families have the opportunity to learn beginner-level vocabulary and easy conversational elements of ASL. This is an ongoing program with classes offered throughout the year.
- **ANew Empower Series:** The Empower Series is an initiative to bring together women across our global offices with senior local leaders to provide small, informal groups with opportunities to learn about important initiatives that the Ares leadership team is focused on and facilitate networking and mentoring. This program is open to all levels and functions at Ares.
- **The Griot:** The Griot is an informal and open forum where Ares Black Alliance members engage with one another to understand their career decisions and paths and learn about the adversity they continue to face in that journey. The goal is to build our community through storytelling and to shed light on challenges underrepresented groups may experience, as well as celebrate successes in our personal and professional lives.
- **Expert-Designed Call to Action and Events:** Included in our subscription with Mindr Connect, Mindr automatically pushes an expert-designed and vetted Call to Action to each community. This might be a suggestion of a book or article to read, a podcast to listen to, inclusion best practices, or another way to connect with the mission of the community. Each quarter, Mindr invites participants to a virtual event exploring an intersectional topic that touches the needs across communities.
- **ERG Leadership Summit:** ERG Leaders play a pivotal role in building belonging at Ares. To continue supporting their critical work, in 2022 we held our inaugural ERG Leadership Summit. The goals of the Summit were to: strengthen relationships across ERG leaders; provide support and resources for strategic planning, program development and event execution; and build the skills and connectivity necessary for leading these communities, advancing their individual and collective goals and implementing deeply impactful programming. The response from our ERG leaders was overwhelmingly positive, with 100% of Summit survey participants agreeing that they learned new tools or best practices for leading their ERGs.
- **ERG Charitable Giving Program:** In support of Ares' commitment to shares prosperity and a better future, our ERGs, in partnership with the DEI Council and Ares Philanthropy team, established the ERG Charitable Giving Program in 2022. The goal of the program is to enable our ERGs to advance Ares' DEI goals through charitable giving and engagement. The ERG Charitable Giving Program empowers ERGs to select non-profits that align with their individual mission, vision, and goals. Each ERG is given \$25,000 annually to donate to a non-profit organization for resource assistance and program development for community members. In the ERG Charitable Giving Program's inaugural year, we partnered with seven non-profit organizations and donated over \$175,000.

In addition, we value employee feedback and leverage this information to continue to create a culture of equity and belonging. We gather employee feedback using several different methods. Please see the section Supplementary Disclosure: Employee Feedback and Culture Assessments on p. 6 for additional information.

Quantitative Data: Diversity Representation (FN-AC-330a.1)

We are proud to report year-over-year increases in both female and ethnically diverse representation, across all of the below compared to 2021.⁵



Diversity Policies

Please see the section Supplementary Disclosure: Diversity Policy, Fair Pay Policy, Pay Equity Studies and Compensation & Recognition on p. 20 for additional information.

⁵ We define “ethnically diverse” as Asian, Hispanic or Latino, Black or African American, American Indian or Alaska Native, Native Hawaiian or other Pacific Islander or two or more races. Underrepresented Ethnic Minority can be defined as a group whose percentage of the population in a given group is lower than their percentage of the population in the country. At Ares, “underrepresented ethnic minorities” or “underrepresented racial/ethnic groups” refers to people who identify as Black or African American, Hispanic or Latino, Native American, Alaska Native, Native Hawaiian or other Pacific Islander and two or more races. We track and report on ethnicity only for U.S. employees, due to different regulatory and privacy frameworks in other countries. So, the ethnicity data here represents U.S. employees only, while gender data provided is on a global basis. Gender and ethnicity classifications are limited based on employees who self-identify. Not all employees may be represented. All statistics presented are as of December 31, 2022, with the exception of Ares Board of Directors, partners and senior professionals metrics, which are as of January 1, 2023. “Senior Professionals” is defined here as leaders at the Partner, Managing Director and Principal levels. Please note that Administrative professionals are excluded from the statistics above.

Philanthropy

Ares strives to make a meaningful difference in people’s lives through how we give and engage with the communities where we do business globally. Our Philanthropy portfolio includes three key programs – Ares Charitable Foundation (the “Ares Foundation”), Ares in Motion (“AIM”) and Corporate Contributions – that help address some of society’s challenges in collaboration with Ares team members and nonprofits that share our values.

Key Links: [2022 Sustainability Report \(p. 12\)](#), [Transformative Philanthropy in Action: 2022 Impact Report](#), [Ares Foundation website](#), [2022 Philanthropy Annual Report](#)

Supplementary Disclosure: Charitable Gifts, Volunteering and Financial Inclusion (Considers GRI 413-1)

Ares Charitable Foundation

The Ares Charitable Foundation (“the Ares Foundation”) is a 501(c)(3) qualifying organization sponsored by Ares, a leading global alternative investment manager. Established in 2020, the Ares Foundation seeks to accelerate equality of economic opportunity through grants to nonprofit organizations whose programming provides Career Preparation & Reskilling, encourages Entrepreneurship and deepens individuals’ understanding of Personal Finance. The Ares Foundation’s vision – a world in which people benefit from equitable access to knowledge, resources and opportunities so that they can achieve their full potential – reflects Ares’ core values.

The Ares Foundation has awarded nearly \$60 million for both signature initiatives and employee-directed grants since June 2021. Signature initiatives include Climate-Resilient Employees for a Sustainable Tomorrow (“CREST”), a \$25 million commitment to help prepare individuals for green jobs through the disruption of occupational segregation, and AltFinance, a \$30 million commitment⁶ to help equip Historically Black College and University students for careers in alternative investment management. Employee-directed grants support initiatives globally that, for example, better enable low-income women in Singapore to transition out of poverty, examine barriers to young people’s successful workforce entry in the UK, and promote disability workforce inclusion strategies and encourage intergenerational entrepreneurship in the U.S.



⁶ Ares expects to contribute up to \$30 million over 10 years. The actual amount contributed may be less than this amount.

Ares in Motion

Since 2012, team members have donated their time, talent and treasure through Ares in Motion ("AIM"), our signature employee engagement and matching gifts program. AIM offers both in-person and virtual engagement opportunities that we continue to evolve, enhance and expand to deepen team members' community service and leadership on behalf of nonprofits and those whom they serve globally.

Building on both Ares' legacy of making a difference where the firm does business and employees' desire to give back, we organized regional committees of AIM Champions in 2022 to allow team members to provide strategic guidance on ways to engage employees globally as well as take the lead to organize and plan volunteer activities in their geography. Committee members serve in Asia, Europe, the U.S. East Coast & Midwest and the U.S. West Coast.

We also launched the "Summer of Service" in 2022 and engaged 436 team members in 1,288 volunteer hours across 25 events globally, with \$207,000 raised for nonprofits. Working with our AIM Champions, we offered activities that included coaching students through entrepreneurial pitch competitions, beautifying public spaces, mentoring young women across Asia, packing meals for people in developing countries, cooking and serving food to people in need, and providing pro bono legal aid to underserved populations.

In addition, 2022 marked the launch of our nonprofit board training and placement program for employees. We also designed and delivered a series of firmwide Community Conversations that connected team members to nonprofit leaders through virtual fireside chats.

Ares employees volunteered 3,166 hours in 2022. The firm augmented employees' charitable donations with \$932,576 in matching gifts.

Corporate Contributions

Our corporate contributions allow us to support nonprofits for important and timely causes. Moreover, these donations and sponsorships often engage our employees in outreach opportunities that our support makes possible such as golf tournaments, meal preparation and distribution, trivia competitions and gala events that raise funds for organizations' work.

For example, Ares was the title sponsor of the Center for Workforce Inclusion Equity Summit 2022: The Intersection of Age, Race and Gender. The convening included panels on how best to include older Americans in current workforce development programs, especially older women of color who seek to enter the labor market.

Ares also funded The Memorial Foundation to deliver social justice and educational initiatives, and participated in the organization's 15th Annual Leaders of Democracy Awards during the annual legislative conference of the Congressional Black Caucus. In addition, our Corporate Contributions helped KidWorks, a nonprofit that offers academic enrichment programs for primarily Latinx youth in gang-challenged communities, establish a family mental health program.

Furthermore, we supported Ukrainian relief through donations to CARE, Voices of the Children Foundation and World Central Kitchen.

Relevant Human Resources Policies

We believe that we have made significant progress in creating and amplifying policies, programs, and initiatives in support of our inclusive culture, which welcomes, celebrates and protects diversity. Like most leading firms, we have enacted and enforced policies in support of our values. Ares is committed to providing a work environment in which all individuals are treated with respect and dignity. The policies below are included in our Employee Handbooks and are intended to reinforce a professional atmosphere free from discrimination of any kind and in service of equal opportunity. We are committed to maintaining a work environment that encourages employees to achieve their highest levels of individual productivity and provides a safe environment to thrive.

Supplementary Disclosure: Equal Opportunity Employment

- **Equal Opportunity Employment:** Ares is an Equal Employment Opportunity (EEO) employer. It has been and will continue to be a fundamental policy of the firm to provide equal employment opportunities to all employees and applicants for employment. In that regard, it is Ares' policy to not discriminate against employees or applicants for employment on the basis of race, color, religion, ethnicity, creed, sex, age, national origin, alienage or citizenship status, disability, medical condition, pregnancy, marital status, partnership status, sexual orientation, status regarding public assistance, military or veteran status, domestic violence victim status, gender identity and expression, transgender status, genetic information, status as unemployed, political affiliation, sexual and reproductive health choices or any other characteristic protected by federal, state or local law. This policy is applicable to all aspects, terms and conditions of employment including, but not limited to, recruiting, hiring, placement, job assignment, training, promotion, discipline, demotion, transfer, layoff, termination, working conditions, compensation, benefits and leaves of absence. All Ares employees are responsible for complying with this EEO policy. As a condition of employment, every employee must treat all other employees equally and fairly. Perceived violations of this EEO policy should be reported to a supervisor or to Human Resources.

Supplementary Disclosure: Anti-Harassment / Anti-Discrimination Policy & Training

- **Anti-Harassment/Anti-Discrimination Policy:** Our Anti-Harassment/Anti-Discrimination Policy applies to harassment or discrimination on Ares premises or any work-related setting and covers all employees and applicants for employment. Ares prohibits coworkers, third parties (such as clients, business associates, or outside vendors), supervisors and managers from engaging in unlawful discriminatory, harassing or retaliatory conduct. We prohibit all forms of unlawful discrimination, including all forms of harassment such as sexual harassment and retaliation. Specifically, Ares prohibits and provides protection from harassment or discrimination in employment because of age, ancestry, color, alienage or citizenship status, religion or creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, partnership status, domestic violence victim status, medical condition (cancer and genetic characteristics), genetic information, military or veteran status, national origin (including language use restrictions), race, sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, transgender status, sexual orientation, sexual and reproductive health decisions or any other basis prohibited

by law (collectively, the “Protected Characteristics”). Additionally, Ares explicitly prohibits gender-, race- and ethnicity-based discrimination for substantially similar work in accordance with applicable state and federal law.

- **Anti-Harassment/Anti-Discrimination Training:** We currently perform mandatory anti-harassment and discrimination training globally. This training is completed within the first 90 days of hire or promotion, and a refresher is given annually for active employees. We require every employee to take a minimum 1-hour course each year and this increases to 2 hours per year at the associate vice president level and above. While the training program’s primary focus is on anti-harassment and discrimination prevention, it also addresses the importance of promoting an inclusive and diverse workforce. While not all jurisdictions require such training at this frequency, we want to lead in educating our employees in this space. The current program is provided online and content is customized to the relevant jurisdictional requirements and requires active participant engagement.

Supplementary Disclosure: Diversity Policy, Fair Pay Policy, Pay Equity Studies and Compensation & Recognition

- **Diversity Policy:** Ares is committed to fostering, cultivating and preserving a culture of diversity and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company’s achievement as well.

We embrace and encourage our employees’ differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

At Ares, we strive to maintain a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees;
 - Teamwork and employee participation, permitting the representation of all groups and employee perspectives; and
 - Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity.
- **Fair Pay Policy:** Ares is committed to fair pay, transparent compensation principles, and a diverse and inclusive workplace. We believe that all employees should receive fair pay irrespective of any protected class they belong to in accordance with applicable law. We continue to examine pay equity considerations as part of our ongoing approach and workplace equality efforts. We periodically conduct fair pay audits, and our last audit in 2022 resulted in no adverse findings.
 - **Pay Equity Studies:** We believe that our commitment to DEI extends naturally to compensation practices. We take pay equity very seriously and on a self-directed basis, undertook a pay equity study for the U.S., U.K., India and Hong Kong in 2022. The study focused on gender in all jurisdictions, and on ethnicity in the U.S., where we currently track such data. Outside counsel, engaged to conduct this analysis, concluded that Ares has good pay equity health across the organization. We continue to examine pay equity considerations as part of our ongoing approach

and gender equality efforts, and we anticipate that we will continue to regularly conduct such studies.

- **Compensation & Recognition:** Our appreciation for our team members' contributions to DEI is reflected in how we evaluate and compensate our employees. Leadership in Ares' DEI efforts is also considered in promotion decisions. Our Ares Impact Award and Ares Honor Roll programs spotlight team members' contributions to DEI, Philanthropy, and ESG.

Supplementary Disclosure: Policy Enforcement and Internal Complaint Procedures

Policy Enforcement

All Ares employees have a responsibility to treat others with dignity and respect at all times. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action. Employees who believe they have been subjected to any kind of discrimination that conflicts with the company's diversity policy should seek assistance from a supervisor or an HR representative.

Internal Complaint Procedure (Grievance Reporting and Escalation)

The Ares Human Resources Team, led by our Global Head of Human Resources, Jessica Dosen, oversees implementation of the policies outlined above. Our internal complaint procedure for employees is described below.

Each member of Ares management, as well as its employees, has a responsibility for creating a work environment free from unlawful harassment, discrimination and retaliation. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

There are several options available to resolve a complaint of discrimination or any form of harassment or a complaint of retaliation. The following outlines our U.S. complaint process.

- Complaints within the U.S. should be reported to either the relevant supervisor, the Head of Human Resources or a Human Resources Business Partner as soon as practicable. Supervisors receiving any such complaints must report the complaint to the Head of Human Resources or a Human Resources Business Partner as soon as possible. Ares is committed to promptly responding to all claims of discrimination, harassment and retaliation of any kind, and any such claims will be investigated by qualified personnel in a fair, timely, impartial and thorough manner that provides all parties (including complainants, witnesses and alleged perpetrators) appropriate due process and reaches reasonable conclusions based on the evidence collected. Complaints will be documented and tracked for reasonable progress. Confidentiality will be maintained to the greatest extent possible and appropriate under the circumstances respecting the privacy interests of all concerned. Complaints can be made without fear of retaliation.
- Following a thorough investigation, Ares will evaluate its options and take appropriate action to remedy or to resolve the respective complaint. If misconduct is found during the investigation, appropriate remedial measures are taken, up to and including termination of the offender. Ares seeks timely closure of all investigations.

Additionally, we have complaint processes outside of the U.S. that are tailored to the regulatory frameworks in those jurisdictions.

There are regular updates provided to the Executive Management Committee and Board of Directors regarding our DEI strategy, metrics and policies. In the event of a finding of a significant policy violation that involves a senior member of the team or could have external brand or significant financial impact, such violation would be elevated to our Chief Executive Officer, Chief Financial Officer and General Counsel, together with our Global Head of Human Resources, for further discussion and determination of whether notification to our Board of Directors is warranted.

As with all large firms like Ares, we may from time to time have a small number of employment claims raised by current or former firm employees (while employed by Ares). Such claims are promptly investigated by the Human Resources team in accordance with appropriate policies and procedures. Where the investigations surfaced legitimate concerns, appropriate disciplinary action was taken (including, without limitation, formal warnings, additional training or termination depending upon the specific circumstances).

Responsible Investment

Key Links: [2022 Sustainability Report \(p. 17\)](#), [Responsible Investment Program](#)

ESG Oversight, Roles, Responsibilities and Accountability (Considers 102-19, 102-20, 102-21, 102-27, 102-31, 102-32)

In 2020, Ares refined our approach to ESG governance by clarifying the respective roles of our Board of Directors (“BoD”), Executive Management Committee (“EMC”), ESG Team, ESG Champions,⁷ and front-line investment and portfolio management professionals. Through this model, we collaborate across the firm to tailor our ESG strategy to our investment groups and drive ownership and accountability across the platform.

We believe that proper governance of our ESG program is vital to ensuring accountability and driving innovation in our approach. To that end, our ESG governance model is based on three key characteristics:

- (1) The Board of Directors has delegated day-to-day accountability and oversight to the Executive Management Committee. The EMC receives periodic updates on key ESG-related initiatives, at least annually.
- (2) Ares Management’s Global Head of ESG reports directly to the Chief Executive Officer. Beyond providing regular updates on the firm’s ESG work, this direct line of communication ensures there is overall alignment with the strategic direction of the firm. In addition, the Global Head of ESG provides updates to Ares’ Board of Directors at least annually.
- (3) The ESG team’s partnership with investment strategies and corporate operations, which creates embedded leadership, integration, and accountability across the organization. On this latter point, we believe that front-line investment professionals must understand the objectives and apply the tools of ESG integration to develop innovative practices.

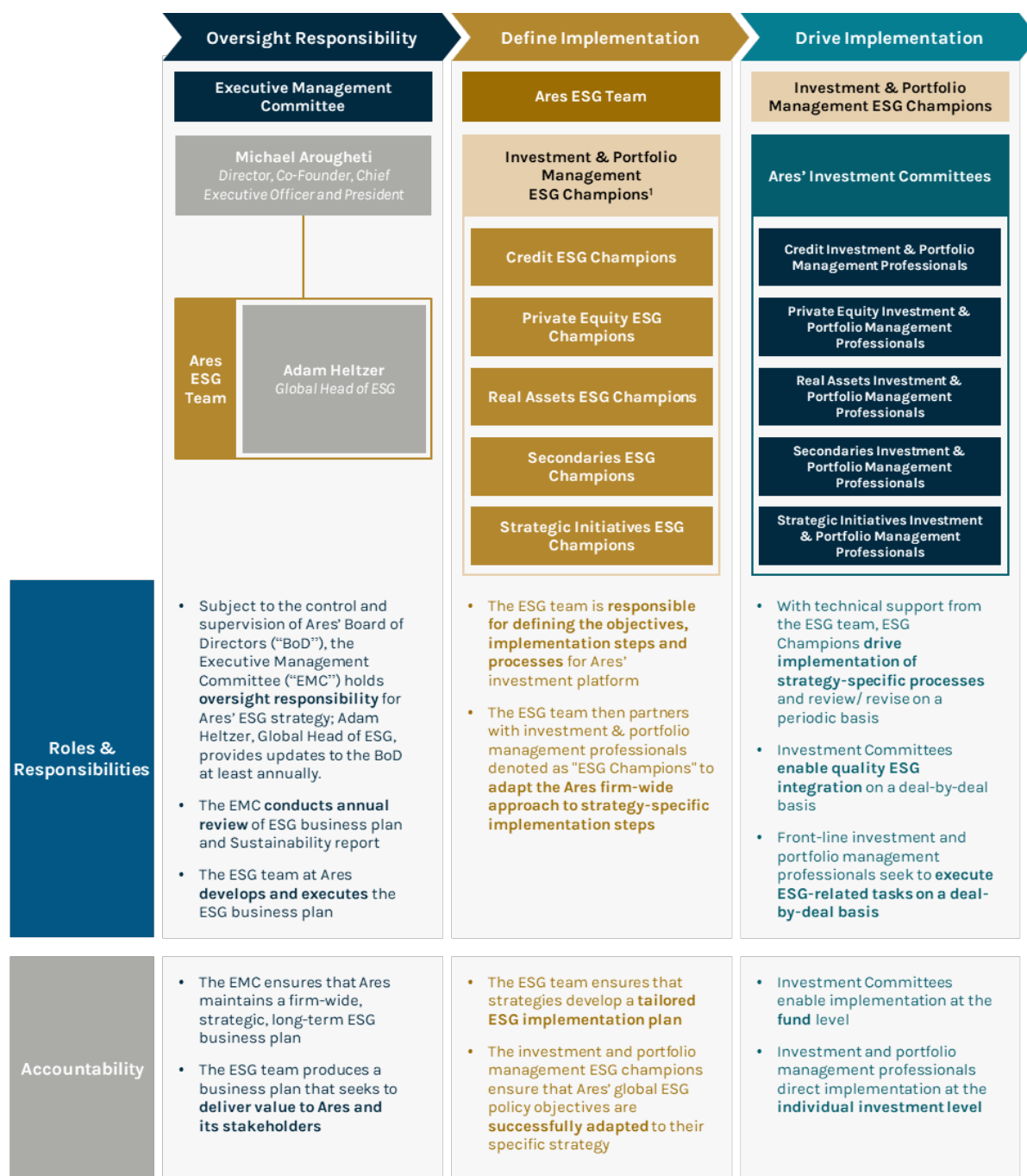
To operationalize this governance structure, the ESG team partners with approximately 240 designated ESG Champions across our five investment groups and corporate operations⁸. These ESG Champions

⁷ ESG Champions are investment, IR, and operations professionals across seniority levels and embedded within corporate operations and across investment strategies; these Champions work with the ESG leads to design and implement our ESG integration

⁸ As of December 31, 2022.

are comprised of investment professionals, portfolio managers, and investor relations personnel across seniority levels (including key senior investment professionals). The ESG Champions, alongside Ares' ESG team, are tasked with formalizing and scaling the firm's approach to ESG while ensuring that the respective strategy's approach is rooted in and tailored to that business.

Overseeing the entire governance structure, Ares' Board of Directors and its committees receive updates on material issues for the firm as well as education on certain economic, environmental, and social issues such as DEI and cybersecurity, amongst others. The Board of Directors also receives regular business updates and educational sessions on new and existing business strategies.



As of December 31, 2022.

FN-AC-410a.1: Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening

Ares deploys a range of tools to incorporate ESG into our investment processes across our platform. We currently incorporate screening and ESG integration in order to manage risk and with an aim to create value in a majority of our investment strategies, including Credit⁹, Private Equity, Real Estate, Infrastructure, and Secondaries. Please note that processes and procedures surrounding the integration of ESG and screening are tailored to each of the firm’s strategies so that they are fit for purpose. With respect to sustainability themed investing, please see below for Supplementary Disclosure: Sustainability Themed Investments and Sustainable Financial Initiatives.

For additional information on our approach to responsible investment within each of our groups/strategies, please see the following pages of our [2022 Sustainability Report](#):

RESPONSIBLE INVESTMENT	PAGE
CREDIT GROUP⁹	18
Direct Lending	19
Liquid and Alternative Credit	20
PRIVATE EQUITY	21
Corporate Private Equity	22
REAL ESTATE	24
Real Estate Equity	25
Real Estate Debt	26
INFRASTRUCTURE	27
SECONDARIES	29

FN-AC-410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies

Ares’ ESG strategy is designed to build on our core values and to address the issues that we believe are most material to our business. This starts with leading by example through our corporate sustainability program (“Corporate Sustainability”) and is further amplified by our responsible investment program (“Responsible Investment”). Ares believes that by being a leader in the integration of environmental, social, and corporate governance factors within our business, Ares can help drive greater adoption

⁹ Ares’ Credit Group includes the following strategies as of March 31, 2023: Direct Lending, Liquid Credit, Alternative Credit and APAC Special Situations. Outside of Ares, certain investments made by our Credit Group may be referred to as Corporate Fixed Income and/or Alternative Investments. For further detail on how Ares defines investments within the Credit Group, please refer to Ares Management’s [Form 10-K](#) report for the year ended December 31, 2022 starting on p. 22.

within our investment portfolios in an effort to create better investment outcomes, and increase adoption across the industry.

Responsible Investment Program

In recognition of the importance of considering environmental, social and governance (“ESG”) factors in its investment process, Ares adopted a Responsible Investment Program to guide its ESG integration activities across the investment platform and has updated its policy as practices evolve. Ares believes that integrating ESG factors into the investment and portfolio management processes across our platform helps enable us to not only seek to generate attractive and differentiated risk adjusted returns across our investment strategies, but also help drive positive change in our local communities and the world at large. In October 2021, Ares enhanced its Responsible Investment Program to convey our objectives for integrating ESG factors, the principles behind our approach, the governance framework to help ensure continuous improvement, and the implementation steps that bring our approach to life throughout the investment lifecycle in a more formalized and scalable structure. In 2022, Ares published a Climate Change Addendum to provide guidance to investment strategies on how to systematically integrate climate change considerations – both risks and opportunities – throughout an investment lifecycle.

Additional detail on Ares’ Responsible Investment Program can be found on our website at: <https://www.aresmgmt.com/about-ares-management-corporation/esg>.

Incorporating Responsible Investment into Our Investment Process

Ares’ tailored approach to Responsible Investment strives to create better investment outcomes and leave a lasting positive impact on our portfolio companies and assets as well as their stakeholders. Given the scale of potential impact, we consider integrating ESG into our investment platform as one of our most material sustainability issues.

As part of this initiative, Ares has established eight principles to guide our ESG integration approach: (i) engage stakeholders, (ii) focus on materiality, (iii) implement systematically, (iv) tailor programs to each strategy, (v) avoid harm, (vi) improve ESG performance, (vii) provide industry leadership and (viii) disclose tangible data, where possible, to drive transparency and adoption. Furthermore, the list below describes how Ares applies these guiding principles across each of our separate investment strategies:

- **Local Ownership:** Mobilize “ESG Champions” within each of our investment teams to adapt and tailor platform-wide objectives toward each investment group’s strategy and culture.
- **Canvas Your Strategy:** Define each strategy’s ESG landscape to identify levers of potential influence and promote ESG objectives in the companies and / or assets Ares invests in.
- **Set Defined Objectives:** Based on these levers, define clear goals that speak to the different dynamics and needs of each investment strategy.
- **Build Your Process:** With these objectives defined, build out a consistent, repeatable and detailed ESG integration roadmap across the investment lifecycle.
- **Focus on Data-Based Results:** Aim to create measurable results and generate evidence (where possible) so that internal and external stakeholders can tangibly distinguish the impact of our implementation programs and scope of ESG-focused activities.

Training on Responsible Investing

Ares believes that effective implementation depends on a widespread understanding of ESG factors, how they can impact investment risk, and the tools necessary to evaluate them. As a result, Ares seeks

to integrate ESG training into ongoing education programs organized by asset class and geography, where appropriate.

ESG training generally commenced across the Ares strategies with a teamwide teach-in as part of the formal ESG integration process launch and is conducted at least annually as a refresh for investment teams. These trainings are designed and taught by the dedicated ESG team members and ESG champions within each strategy, including senior investment professionals, and the curriculum includes high-level ESG initiatives as well as industry and strategy-specific criteria. Presentations and materials for these teachings are updated on an ongoing basis with input and collaboration from the Ares' broader ESG team on a regular basis.

In addition to these groupwide education opportunities, Ares has a number of other avenues through which employees can receive ESG training. ESG Champions receive a number of opportunities to pursue greater education and further build their knowledge and skills. As an example, in 2022, Ares hosted a Sustainability Accounting Standards Board (SASB) training open to all ESG champions. This session served as a refresher course for ESG Champions and a chance for new colleagues to learn about the tools available through our firmwide license and SASB integration across the various stages of the investment lifecycle.

Ares' robust, firmwide education assistance program is open to the entire employee base and is designed to aid individuals with their professional development. This educational assistance includes programs such as the PRI Academy and CFA ESG certification program for professionals who may want to broaden their ESG knowledge. As part of this engagement, Ares onboarded a suite of 23 ESG courses through its Workday platform in 2022. These courses are video-based and interactive (ranging from 5 minutes to an hour) with topics that range from introduction courses to more "advanced" topics like climate risk measurement. These courses are available to all Ares employees and can be listened to on each employee's own time. Additionally, the Ares ESG team will present on ESG at firmwide townhalls explaining our ESG approach and priorities.

Finally, professionals across the organization may register for an internal ESG mailing list, through which the Ares ESG team curates and shares best-practices, industry trends, and educational materials.

Supplementary Disclosure: Sustainability Themed Investments and Sustainable Financial Initiatives

Dedicated Sustainable Investments:

When we discuss dedicated sustainable investments within this report, we are utilizing the SASB Standards definition of sustainability themed investing: "Investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture)."

At the fund level, Ares Climate Infrastructure strategy was launched to focus specifically on the Climate and Sustainable Infrastructure sectors. The strategy intends to invest across certain target sectors, which are expected to include: renewables, energy storage, electrification, resource efficiency, services, digital, and power-to-X.

Sustainability-Linked Loans (“SLLs”):

Sustainability-Linked Loans (“SLLs”) are increasingly utilized by private lenders as a tool to effect positive change on the broader sustainability agenda. At Ares, we see the benefits of SLLs across the private credit investment universe, from direct lending to infrastructure and real estate credit. To support investment professionals across investment strategies to structure SLLs and enable an appropriate governance mechanism, Ares has established an internal global SLL council that comprises investment professionals across our global private credit platform. The global SLL council has developed an early framework for SLL structuring, which we anticipate will be regularly refined based on our investment teams’ experiences and market developments.

In our current position as chair of the UNPRI Private Debt Advisory Committee, we consciously look to initiate further conversations among private credit providers to exchange experiences and lessons learned from structuring SLLs. By doing so, we hope to promote a greater number of increasingly sophisticated SLLs that can propel new advancements in ESG and sustainable business practices that can have a measurable and meaningful impact on the world.

Through December 2022, Ares funds have deployed over \$3 billion across seven different SLLs and three different continents.

Real Estate Development:

Ares’ real estate development investment strategy aims to develop and own assets that are efficient for tenants to operate while simultaneously benefitting the local communities. The team does this through the incorporation of sustainable design considerations across asset types and at multiple steps throughout the ownership process. Examples include collecting green building characteristics during diligence, conducting building certification gap analysis, and facilitating onsite renewable energy developments. Additionally, during development and / or major renovations, the investment team works with development and joint venture partners to target relevant green building certification programs like LEED and BREEAM while also assessing energy rating program improvements.

In the US, we have recently updated our standard industrial specifications to further green building features, while in Europe, we recently achieved BREEAM Very Good on a portfolio of 7 assets in the related fund’s Spanish logistics portfolio.

Ares’ real estate team believes that focusing on green building features, efficiency measures, and building certifications can result in improved designs and increased tenant appeal while limiting the risk of obsolescence of our assets.

Sustainability Integration and SFDR Funds:

As mentioned in this report, the consideration of environmental, social, and governance factors is integrated into Ares’ investment processes across the platform; however, the processes through which ESG is integrated are designed and determined at the individual strategy levels. Decisions regarding SFDR are made with guidance from Ares’ legal and compliance teams. SFDR promoted characteristics are designed at the individual vehicle levels within each strategy, with the deal teams and respective ESG leads designing processes that are fit for purpose.

Ares’ public SFDR disclosure can be found here: [SFDR-Statement-11-22.pdf \(aresmgmt.com\)](#).

Ares SPAC:

Ares Acquisition Corporation (“AAC”), a publicly traded special purpose acquisition company (“SPAC”) that was launched in 2021 announced a definitive business combination agreement with X-energy in 2022. X-energy is a leading developer for advanced small modular nuclear reactors (“SMR”) and fuel technology for clean energy generation. Founded in 2009, X-energy is developing a more advanced SMR and proprietary fuel that can safely and efficiently deliver affordable zero-carbon energy to people around the world. X-energy’s entry into the public markets is expected to accelerate its growth strategy through additional investment capacity and financial flexibility as well as differentiated sponsorship. Supporting a just transition to a lower-carbon economy is a critical initiative for Ares.

FN-AC-410a.3: Description of proxy voting and investee engagement policies and procedures

Proxy Voting:

Ares recognizes that proxy voting is an important right of shareholders, and that reasonable care and diligence must be undertaken to ensure that such rights are properly exercised in a timely manner. A majority of Ares’ investments are in not in publicly traded companies or securities. In instances where a client owns equity securities in which it has the right to vote via shareholder proxy, Ares generally retains proxy voting authority with respect to these voting securities. Ares has adopted and implemented written proxy voting policies and guidelines that are reasonably designed to ensure that Ares votes proxies in the best interests of its clients for whom Ares has voting authority. The proxy voting policy describes the positions Ares generally takes in voting proxies on particular issues and require Ares to keep records with respect to the votes cast. The proxy voting policy also provides that, in the event a particular proxy vote would involve a conflict between the interests of Ares and its affiliates, and those of one or more clients, Ares, if it so elects, may: (1) vote in accordance with the recommendations of a disinterested third party; (2) refer the voting decision to the client; or (3) abstain from voting. Ares will not delegate its voting authority to any third party, although it may retain an outside service to provide voting recommendations and to assist in analyzing votes.

Engagement:

Engagement is core to our investment strategy and our integration of ESG at Ares. Our Responsible Investment Program dictates eight principles to guide our ESG integration approach, the first of which is:

1. Engage Stakeholders: We work closely with our stakeholders – employees, investors, shareholders, portfolio companies, regulators, among others – to inform on ESG risk factors and incorporate these items into our investment approach.

With regards to investee or portfolio company engagement, the frequency, degree, and specific objectives are designed and implemented at the individual strategy level by the deal team and the appropriate ESG leads. As such, specific engagement actions are driven by the deal teams on the ground and are necessarily dependent on a number of factors including the level of control / influence, access to management and detailed information flow, agreed-to governance mechanisms, and materiality considerations.

Engagement Examples:

- **Employee Ownership:** In February 2022, Ares became a founding partner of Ownership Works, a non-profit dedicated to supporting the implementation of broad employee ownership programs beyond senior management teams. As part of a pilot effort in conjunction with Ownership Works, Ares committed to advance shared prosperity plans within at least three private equity portfolio companies by the end of 2023.
- **Increased Diversity:** In 2021, Ares Private Equity launched our “Amplify DEI” program to assess a company’s DEI infrastructure, its representation across seniority levels, and its level of inclusion – a critical ingredient to harness the value of a diverse workforce. In 2022, through our “Amplify DEI” program, we supported 11 private equity companies through a monthly DEI portfolio council which brought together HR leaders from across the portfolio to share best practices and advance their DEI strategic plans.
- **Carbon Emissions:** In 2022, Ares completed our first wave of emissions footprints across our private equity, direct lending, and real estate investment groups. This exercise provided an initial emissions baseline that spans 244 portfolio companies across 14 different Ares funds.
- **Safety Maturity Assessment:** We engaged with select Ares Corporate Private Equity companies through safety program maturity assessments and evaluated performance on standard Occupational Safety and Health Administration (“OSHA”) metrics versus industry benchmarks. 18 out of 21 companies that participated in this initiative either performed better than the industry benchmark or improved performance year-over-year.
- **Tenant Satisfaction:** Ares Real Estate launched a formal Tenant Engagement Program in some of our key equity funds to better understand the needs of our tenants, specifically as they relate to ESG and how we are performing as a landlord. The program includes a Tenant Satisfaction Survey as well as providing a *Sustainability Best Practices* flyer.

Please see Ares’ [2022 Sustainability Report](#) for even more examples of our investment teams’ engagement strategies.

Supplementary Disclosure: Partnerships and initiatives related to ESG

As a large alternative asset manager, Ares engages with industry organizations to shape best practices in our key areas of ESG focus, which include climate change, DEI and data collection and standardization. Across the Firm’s various business lines, our teams are currently serving on key ESG industry boards/associations or following the frameworks/guidelines promoted within the industry noted below.

Materiality Mapping

- **The Sustainability Accounting Standards Board (“SASB”) Standards:** Our investment teams generally use the SASB framework to identify material ESG issues by industry. In 2022, Ares hosted a Sustainability Accounting Standards Board (SASB) training open to ESG champions. This session served as a refresher course for ESG Champions and a chance for new colleagues to learn about the tools available through our firmwide license and SASB integration across the various stages of the investment lifecycle.

- **United Nations Principles for Responsible Investment (“UNPRI”):** Ares is a signatory of the UNPRI, committing the Firm to six specific principles that systematically integrate ESG considerations into our investment processes. Ares considers our UNPRI commitment foundational to our ESG integration across our investment strategies. Importantly, Ares is acting (at their request) as the current chair to UNPRI’s inaugural Private Debt Advisory Committee (“PDAC”), which focuses on the role of private lenders in addressing climate change. The committee is comprised of prominent investors and managers within direct lending.

Climate

- **Initiative Climate International (“iCI”):** Ares participated in the launch of the North American chapter of iCI, a working group of private market investors (primarily private equity firms) focused on climate change, to share best practices. Ares recognizes that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments. Ares also serves as an operating partner for North America, and also as a member of the Steering Committee of the UK iCI TCFD Working Group.
- **Recommendations of the TCFD:** In November 2021, Ares became a public supporter of the TCFD and published our inaugural TCFD climate action report in June 2022. Ares believes the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities within financial markets
- **Partnership for Carbon Accounting Financials (“PCAF”):** Ares recently joined the PCAF, a group of over 300 institutions that believe standardized assessments and disclosures of greenhouse gas emissions can lead to lasting carbon solutions. Ares will work closely with PCAF members to jointly develop the Global GHG accounting and reporting standards for the financial services industry.

ESG Data Standardization

- **ESG Integrated Disclosure Project (“ESG IDP”):** Specific to our private credit strategies, Ares joined a year-long industry collaboration to harmonize ESG reporting to address the key challenges facing private credit and syndicated loan managers. The template developed by the ESG IDP establishes a baseline of ESG information on borrowers that covers both qualitative and quantitative data on those ESG factors that lenders consider most material to them.
- **ESG Data Convergence Initiative (“EDCI”):** Specific to our private equity strategies, Ares recently joined the EDCP, an LP-GP initiative designed to address the ESG data gap within private markets. As part of this commitment, Ares will collect a standardized set of ESG metrics from its control private equity portfolio companies and share anonymized data with an independent third-party. In return, Ares will receive industry-level benchmarking data to help measure progress.

Socially-Focused Initiatives

- **Ownership Works:** Specific to its corporate private equity strategy, Ares recently became a founding partner of Ownership Works, a non-profit initiative designed to promote increased access to the financial upside of stock ownership for non-senior management company employees.

Please see Ares’ [2022 Sustainability Report](#), [2022 DEI Annual Report](#), [2022 Philanthropy Annual Report](#) and the Diversity, Equity & Inclusion section on p. 9 for additional information and examples surrounding our firm’s partnerships and initiatives.

Corporate Governance Highlights

Key Links: [Ares' 2023 Proxy Statement](#) and [Corporate Governance webpage](#)

We believe that effective corporate governance includes regular and constructive communication with our stockholders to understand their perspectives and answer their inquiries. Throughout the year, we engage with a significant portion of our stockholders, including our top institutional investors. Through these outreach efforts, we discuss a variety of topics of interest to our stockholders, including, among other things, our financial performance, strategy and corporate governance policies and practices.

We reexamine our corporate governance policies on a periodic basis to ensure that they continue to meet our needs and those of our stakeholders. As a result of such reexamination and in consideration of the feedback received from our stockholders, we have implemented the following changes:

- **Compensation Committee.** In February 2023, we established a compensation committee, which includes five independent directors (and no non-independent directors). The compensation committee is responsible for reviewing and making recommendations to the Board regarding the Company's overall compensation philosophy, policies and objectives and the corporate goals and objectives relevant to the compensation of the chief executive officer of the Company.
- **Independent Board Majority.** In January 2023, with the appointment of Ashish Bhutani to our Board of Directors, our Board became 55% independent. The Board includes 6 independent directors and 5 non-independent directors.
- **Independent Director Stock Ownership Guidelines.** - In July 2022, the Board adopted guidelines with respect to the targeted Class A common stock ownership level for all of the Company's independent directors, further underscoring its commitment to long-term stockholder value and aligning its interests with our Class A common stockholders. All Independent directors are required to own shares valued at three times the cash component of the annual retainer for Board service to be received (excluding fees for serving on committees of the Board). It is expected that these guidelines are achieved within five years of joining the Board. All directors have met or are on track to meet this requirement.
- **Board Diversity.** Within our Board of Directors, 36% of our directors are women or ethnically diverse.

Please see Ares Management's [Proxy Statement](#) and [Corporate Governance webpage](#) for additional important information.

Compliance & Ethics

Ares' dedication to a firm-wide culture of compliance and oversight enables our robust compliance program to provide employees with the tools and resources for adherence to our regulatory requirements while instilling the importance of integrity, ownership and professionalism in our business dealings.

Key Links: [2022 Sustainability Report](#) (p. 14), [Code of Business Conduct and Ethics](#), [Complaint Procedures for Accounting and Auditing Matters](#)

Supplementary Disclosure: Compliance & Ethics Program and Oversight

Maintaining client trust is core to our business approach, which is why Ares stresses high ethical standards and corresponding behavior. Our multi-pronged approach is principles based: ethical conduct, compliance with applicable laws and regulations, adherence to policies and procedures and attention to circumstances that may give rise to conflicts of interest. This tone is set by senior management, while legal and compliance departments are responsible for incorporating and promoting awareness of legal, regulatory and ethical standards across our investment and non-investment groups. This distinctive culture – a shared commitment to the core values of responsibility and principled behavior – is one of our strongest assets, and this is paramount when contemplating adding a new business group, considering expansion or selecting new employees to join Ares.

Compliance Oversight:

We have an oversight model that we believe will support our compliance goals:

- (1) The Board of Directors has delegated accountability and oversight of compliance and ethics, including our anti-bribery and anti-corruption program, business ethics program, responsible product offering and marketing, and other compliance matters, to the Executive Management Committee, which receives periodic updates on key issues.
- (2) Ares Management's Global Chief Compliance Officer reports directly to the Chief Executive Officer and provides updates on the results of the periodic compliance testing and annual assessment to senior management at least annually.

Ares' compliance program is overseen by its [Global CCO](#) and a team of ~60 compliance professionals, which comprise the Compliance Department. Other individuals have responsibility for certain regulatory or related compliance matters including but not limited to the [General Counsel](#), as well as several members of their departments. Ares' compliance policies and procedures are evaluated on an on-going basis to ensure the adequacy and effectiveness of the overall program. Part of that evaluation includes reviewing its compliance policies and procedures on at least an annual basis taking into consideration the following:

- Compliance matters that arose during the year;
- Changes in Ares' business activities; and
- Changes to applicable laws, rules or regulations that might suggest a need to revise Ares' policies and procedures

Global Ethics and Compliance Manual:

Ares Management has a Global Ethics and Compliance Manual (the "Manual") containing policies. On a quarterly basis, all employees must certify that they have reviewed the Compliance Manual and understand the obligation to comply with the policies. All new employees are required to read the policies contained in the Manual and attest to understanding and agreeing to comply with the policies as part of the onboarding process. The Manual is reviewed on an ongoing basis by the compliance team and is revised throughout the year as deemed necessary due to regulatory, business or risk changes and taking into consideration changes in Ares' practices or policies determined by the Global CCO and/or legal department as supportive of Ares' general approach to maintaining best practice in its business activities. The Global Chief Compliance Officer notifies all employees of material policy changes and provides the updated Compliance Manual via internal email and makes it available on the firm's intranet.

Business Ethics

Ares senior management, as implemented by the compliance and legal departments, sets forth the values, principles, standards of behavior within its Code of Business Conduct and Ethics. Additional information is available on the [Values and Culture](#) page and [Impact](#) page of the Ares Management website.

FN-AC-270a.1: (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings

From time to time, Ares and/or its employees are subject to regulatory inquiries, litigation, investigations, disputes related to investment and employment-related matters and other potential claims arising out of the ordinary course of business. Neither Ares nor any of its management persons has been the subject of any legal or disciplinary proceedings that we believe are material to a Client's evaluation of our business or the integrity of our management. For additional information, please refer to item 9 of Ares Management LLC's Form ADV Part 2A: <https://adviserinfo.sec.gov/firm/summary/130074>.

FN-AC-270a.2: Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers

Ares has not incurred monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers. Ares has disclosed relevant information about its disciplinary history in its ADV. Please refer to item 9 and other related disclosures in Ares Management LLC's Form ADV Part 2A: <https://adviserinfo.sec.gov/firm/summary/130074>.

FN-AC-270a.3: Description of approach to informing customers about products and services

Reports to Clients and Investors: Ares provides reports to the Clients or their Underlying Investors as required by the applicable Governing Documents or otherwise agreed upon with a Client or Underlying Investor. Underlying Investors should refer to the applicable Governing Documents for further information on the reports provided to a particular Underlying Investor.

The Governing Documents of certain Clients sometimes require quarterly and annual financial statements to be distributed to Underlying Investors and Ares also typically provides written investor letters with respect to a Client and its performance. Ares distributes K-1 filings to Underlying Investors, where applicable, and provides certain other reports and analyses to Underlying Investors and potential investors upon request.

Marketing and Advertising Policy: As Ares Management is subject to global rules and regulations governing the responsible marketing, promotion and sale of its products, strategies and investment management services, Ares Management has adopted a Marketing and Advertising Policy. Pursuant to this policy, when undertaking promotional and selling activities and otherwise marketing and distributing Ares Management's products and services, including using promotional materials and

soliciting clients and investors, employees must act in a fair, honest and transparent manner. Ares Management has adopted this policy to ensure it meets these obligations when conducting such activities and that it complies with applicable anti-fraud provisions, solicitation rules and jurisdictional requirements. All communication or printed materials sent to current or prospective investors, marketing, advertising and related promotional materials are required to be reviewed and approved by Compliance for compliance with applicable rules, regulations and Ares policies.

Acting in Client's Best Interest: Ares is committed to achieving compliance with applicable securities laws and regulations, transacting business with integrity, and upholding the highest standards of ethical and legal conduct. To demonstrate our commitment to fiduciary obligations and the protection of Client and Investor interests, Ares has adopted principles of conduct requiring employees to act in the best interests of Ares Clients and Investors, to follow their fiduciary obligations to Clients and Investors, and to never improperly place their personal interests before the interests of Ares or its Clients.

FN-AC-510a.1: Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations

Ares has disclosed relevant information about its disciplinary history in its ADV. Please refer to item 9 and other related disclosures in Ares Management LLC's Form ADV Part 2A: <https://adviserinfo.sec.gov/firm/summary/130074>.

FN-AC-510a.2: Description of whistleblower policies and procedures (Considers GRI 102-17, 102-33)

We are committed to doing business with integrity and upholding the highest standards of ethical and legal conduct. Ares employees have an affirmative obligation to report any suspected or actual policy violations or fraudulent acts to the CCO, with attribution by contacting the CCO directly, or anonymously by completing a report via the online ethics system or calling the ethics hotline.

We have adopted a Whistleblower policy and established an ethics hotline (also called a Whistleblower Hotline) hosted by an independent third party that allows for open reporting or anonymous and confidential reporting, which is available to all our people globally. This supports our employees in coming forward with potential concerns about unethical or unlawful behavior by the firm or other employees. Reporting through the hotline can be done anonymously 24/7 via web-based form or via dedicated local phone numbers for our offices globally (in local languages). An employee that becomes aware of information regarding an actual or potential violation of Ares' policies has an obligation under the Whistleblower policy to promptly transmit that information to the CCO or General Counsel. All incidents are reviewed by the CCO and escalated appropriately depending on the nature of the complaint. On a quarterly basis, all employees certify their understanding of policies and code of conduct, which includes the Ethics Hotline. Through this quarterly certification, we seek to clearly communicate that any employee who comes forward with a complaint will not be subject to retaliation as a result of their reporting violations through the hotline. In addition, our external auditors review our Whistleblower logs at least annually.

In addition, the mechanisms for reporting concerns can be found in Ares Management's Complaint Procedures for Accounting and Auditing Matters. Any person may report directly to the Audit Committee

and/or the management by contacting the Global Chief Compliance Officer, the General Counsel and/or the Chairperson of the Audit Committee in relation to any accounting concerns regarding accounting practices by addressing such report in writing.

Description of Anti-Bribery and Anti-Corruption Policies and Procedures (Considers GRI 205-2)

Ares Management is dedicated to ensuring compliance with the array of anti-corruption laws and regulations that apply to its business. Ares Management's Code of Conduct and Anti-Corruption policy is focused on ensuring compliance with applicable anti-corruption laws and regulations including U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010, among other similar regulations. Ares Management trains all employees upon joining the firm and periodically thereafter. In addition, all employees are required to attest that they have read, understand, and acknowledge the Compliance Policies on a quarterly basis. The Code of Conduct and Anti-Corruption policy includes pre-clearance requirements for expenses to be incurred on behalf of any government officials, employees or any intermediaries acting on their behalf at certain thresholds. The Compliance team periodically monitors and reviews, political contributions, business gifts, entertainment and expenses to ensure compliance with our policies as well as applicable rules and regulations.

Description of Anti-Money Laundering Policies and Procedures

Ares Management is subject to various regulations designed to prevent financial crime, including money laundering and terrorist financing. This includes currently applicable laws, such as the USA PATRIOT Act, the regulations created under that Act, and other applicable anti-money laundering ("AML") and other counter-terrorism financing ("CTF") laws and regulations of any applicable jurisdiction. Given the global nature of Ares' business, the Firm's AML and CTF policies and procedures may be further supplemented by AML and CTF regulations from non-U.S. jurisdictions. Ares maintains an AML-CTF program that is risk-based and designed to specifically mitigate the risk of Ares being engaged in or facilitating money laundering or other financial crimes. The Ares AML-CTF program has been designed as a global program that is intended to comply with the various jurisdictions in which Ares conducts business. In addition, the CCO serves as the Firm's Global Anti-Money Laundering Officer. Ares conducts money laundering and terrorism financing risk assessments on a periodic basis to identify, assess and documents the money laundering and terrorist financing risk involved in the firm's business activities and to affirm the appropriateness of the systems and controls Ares has implemented. Ares conducts customer due diligence following a risk-based approach and obtains identification information for each counterparty as required by applicable law and regulation as well as pursuant to Ares' assessment of the counterparty's risk. At least annually, Ares performs or engages a qualified external party to perform an independent review of its AML-CTF program. Members of the Compliance Department conduct training to relevant employees on a periodic basis.

Regarding tax evasion, Ares has taken steps to prevent employees from being in a position whereby they could be considered to be facilitating tax evasion. Ares has established internal processes, and has implemented targeted training, to ensure that employees are aware of the scope of applicable tax codes and regimes, such as the U.S. Internal Revenue Code (including the U.S. Foreign Account Tax Compliance Act ("FATCA")) and the United Kingdom First Party Regime (UKFP Regime), are familiar with the type of situations or circumstances which may potentially give rise to an issue under the UKFP Regime and fully understand what steps should be taken if any concerns arise.

Description of Political Contributions Policy and Procedures

Ares Management has a Political Contributions policy that applies to all employees that prohibits contributions to state or local officials and requires pre-clearance for federal candidates or office holders. Specifically, the Political Contributions policy, which is included in Ares Managements' Code of Conduct and Anti-Corruption Policy, prohibits the giving of any gifts, making any political contributions or soliciting or coordinating any contributions or gifts or anything of value to: 1) any incumbent U.S. state or local officeholder (including one who is a candidate for federal office); 2) any candidate or election winner for U.S. state or local office; 3) any staff member or employee of a U.S. public pension fund, or any elected or appointed trustee, fiduciary or other official whose official duties involve responsibility for such a fund; or 4) the spouse of any of these persons. For all other individuals and parties including: 1) any incumbent U.S. federal officeholder or a candidate; 2) any candidate or election winner for U.S. federal office; 3) any political action committee, political party, political union organization or union official; 4) any non-U.S. government officials, preclearance approval from Compliance is required.

Data Privacy & Security

Key Links: [2022 Sustainability Report \(p. 15\)](#), [Ares Management LLC Privacy Policy](#)

Supplementary Disclosure: Data Privacy & Data Security Policies and Oversight Framework

Ares recognizes the security and resiliency of our information systems, as well as the protection of investor and employee data stored within those systems is critical. To that end, the firm has implemented a comprehensive and enterprise-wide cybersecurity program, including an incident response plan, that covers all business lines, and which is aligned to the NIST Cybersecurity Framework and SEC Cybersecurity guidance. The program is underpinned by a set of periodically reviewed policies and procedures, which amongst others includes the Information Security and Electronic Communications policy, Data Protection policy and Privacy Policy; and for which all employees are trained annually and certify to their compliance quarterly.

The program is run by a dedicated internal cybersecurity team, which through augmentation by external partners provides 24x7 monitoring, investigation, and response to potential cybersecurity threats affecting the firm. The team is led by our Chief Information Security Officer, who sits on the firm's Enterprise Risk Committee as well as Data Privacy Task Force, and regularly reports to the Audit Committee of the Board of Directors.

We have a multi-year strategy to implement new and strengthen existing controls necessary to ensure strong governance, detection, protection, response, and recovery. Additionally, third-party relationships are evaluated and assessed on a schedule determined by their criticality and risk to the firm. Lastly, Ares' Cybersecurity team works closely with our Enterprise Risk Management, Compliance and Legal teams to ensure relevant aspects of information risk are addressed.

Ares' cybersecurity framework includes deployment of advanced tools on our computers and networks to deal with the type of serious threats facing financial services companies today, both from external and internal actors and events. These tools provide the capabilities to:

- Prevent malicious and unauthorized software from being installed and/or executed,
- Conduct in depth network and web content inspection,
- Monitor for and prevent advanced persistent threats,
- Manage privileged access and accounts,
- Investigate and conduct analysis of potential and real threats,
- Effectively detect and manage risk related to known and unknown vulnerabilities,
- Centralize logging and event management for review by internal and external security operations centers, and
- Enrich detective and protective controls with comprehensive threat intelligence.

Further, Ares has an Information Security and Electronics Communications policy which is part of Ares’ Global Ethics and Compliance Manual. All employees are responsible for complying with this policy and certifying to such compliance on a quarterly basis. This policy was established to enable Ares to protect data, correspondence, product information, marketing information, and other information assets through the use and access of Ares’ computers and internet systems. The policy is further designed to reduce the risk of accidental or intentional disclosure, modification, destruction or misuse of information. In order to comply with the GDPR, we have also implemented data protection policies.

Supplementary Disclosure: Employee Training on Cybersecurity Threats

While a comprehensive, risk-based cybersecurity program is a necessity to properly manage cyber risk, cyber-attacks begin and end with people. As such, we recently revamped our cyber-awareness program and also assign training to all employees and long-term contractors on cyber awareness and data privacy & security. Furthermore, we increased the number of randomized simulated phishing emails sent to test our employee base and included point-in-time training for those who ‘fail’ the test. All told, we delivered over 2,500 hours of training in 2022, nearly double the hours delivered in 2021. We also sent more than 28,600 simulated phishing attacks in 2022, which by the end of the year resulted in an 84% reduction from the baseline metric of employees who failed the tests. In addition, all employees and contractors must certify their compliance with Ares’ privacy and data security policies annually.

	2022 Target	2022 Actual	2023 Target
YOY REDUCTION IN SIMULATED PHISH “FAILURE” RATE	30%	24%	n/a*
SIMULATED PHISHING E-MAILS DELIVERED	>18,000	28,600 (>300% incr. YoY)	30,000
CYBER EVENTS INVESTIGATED	>6,000	7,689 (123% incr. YoY)	8,000

*As our failure rate is within industry targets, we will be replacing this metric in future reports.
Note: Results in the above table are inclusive of higher difficulty “tests” added throughout 2022.

Supplementary Disclosure: Security Measure to Control Access

The Firm closely aligns its cybersecurity program with the NIST Cybersecurity Framework, and incorporates controls relative to access control including but not limited to:

- Role based access controls
- Encryption of data stored on user endpoints and in cloud environments, both at-rest and in-transit
- Advanced controls around endpoint and general privileged access
- Established means of collecting necessary investor personal data through secure and automated platforms, with highly restricted access by only relevant Firm employees

Supplementary Disclosure: Security Measures in Place to Protect Personal or Sensitive Data

The firm maintains both a Data Protection Policy and Privacy Policy in the Manual and additionally provides investors, employees, candidates for employment and users of the aresmgmt.com website with privacy notices/policies which summarize what personal data the firm collects, how it is used and any rights the relevant data subject has in accordance with applicable law. Should personal data be provided to a third party, the privacy obligations of that third party and the technical and organizational security measures that it must adhere to are outlined in a Data Processing Agreement, Data Protection Annex or similar agreement. Finally, the Firm maintains a comprehensive Third Party Risk Management program, and as such, counterparties are diligenced as appropriate.

Supplementary Disclosure: Privacy Enhancing Technologies and Initiatives

The firm has a long standing, cross-functional Data Privacy Task Force, and recently hired a dedicated in house privacy counsel in further dedication to increasing data protection standards across our business.

Supplementary Disclosure: Complaints Received Concerning Breaches of Customer Privacy

During the reporting period, no substantiated complaints regarding breaches of client privacy and losses of client data were identified.

Enterprise Risk Management

Our Enterprise Risk Management framework is grounded in our ability to continuously identify, assess and consider a spectrum of risks and potential impacts. Our framework combines involvement and guidance from senior leadership with bottom-up risk and control analysis

Key Links: [2022 Sustainability Report \(p. 16\)](#)

Supplementary Disclosure: Risk Management Process

Ares' Enterprise Risk program helps to identify, assess, mitigate, and monitor high level operating risks to Ares Management LLC (together with its related entities, the "Firm"), including operational, cybersecurity, regulatory, acquisition, and other emerging business risks. The two key groups involved in Ares' Enterprise Risk are the dedicated Enterprise Risk Management ("ERM") team and the Enterprise Risk Committee ("ERC"). As part of Ares' ERM framework, an annual risk and control assessment is conducted, and key risk indicators ("KRI") are monitored. Identified internal stakeholders and control owners participate in risk identification processes and ongoing risk management activities.

The ERM team oversees the Firm's Third-Party Risk Management ("TPRM") framework, designed to provide discipline, structure and oversight of the identification, assessment, mitigation and monitoring of various third-party risks. As part of TPRM risk management activities, third-party vendors engaged by the firm are categorized and classified based on business criticality and risk profile, including information access and services provided. Risk oversight is enabled by continuous monitoring, measurement, and annual due diligence across relevant risk factors.

In addition, integration risk driven by acquisition activity is assessed across technology, security, and human resources control areas.

Ares Management LLC undergoes an annual SSAE18 SOC1 Type I review. The last report was as of December 31, 2022. In addition, Ares Management is Sarbanes-Oxley 404 compliant.

Supplementary Disclosure: Disaster Recovery Plans & Business Continuity Procedures

The ERM team oversees the Firm's Third-Party Risk Management ("TPRM") framework, designed to provide discipline, structure and oversight of the identification, assessment, mitigation and monitoring of various third-party risks. As part of TPRM risk management activities, third-party vendors engaged by the firm are categorized and classified based on business criticality and risk profile, including information access and services provided. Risk oversight is enabled by continuous monitoring, measurement, and annual due diligence across relevant risk factors.

In addition, integration risk driven by acquisition activity is assessed across technology, security, and human resources control areas.

Activity Metrics

FN-AC-000.A: (1) Total registered and (2) total unregistered assets under management (AUM)

Total assets under management of US\$352 billion as of December 31, 2022. See Ares Management's [Form 10-K](#) report for further detail.

FN-AC-000.B: Total assets under custody and supervision

Total assets under management of US\$352 billion as of December 31, 2022. See Ares Management's [Form 10-K](#) report for further detail.

Important Notice / Disclaimer

This 2022 Sustainability Disclosures (“Report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended which reflect our current views with respect to, among other things, future events, operations and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. These factors include, but are not limited to, those set forth in this Report and in Ares’ periodic filings with the Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from those indicated in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for Ares to predict those events or how they may affect us. Therefore, you should not place undue reliance on these forward-looking statements. Actual results may differ materially from any forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Ares does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

This Report includes information on Ares’ program for incorporating ESG considerations across our corporate operations, strategies, and or funds. Such program is subject to Ares’ fiduciary duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material ESG factors is subjective by nature, and the criteria utilized or judgment exercised by Ares may not align with the views, internal policies, or preferred practices of any particular investor or other asset manager or with market trends. There are a variety of ESG principles, approaches, frameworks, methodologies, and tracking tools; Ares’ adoption and adherence to those discussed herein or to any others is expected to vary over time as ESG practices evolve.

While Ares intends to include ESG as a component of its investment process, and certain corporate activities as described in this Report, there can be no assurance that Ares’ ESG initiatives, policies, and procedures related to ESG integration or responsible investment or the application of ESG-related criteria or reviews to the investment process, including ESG scores, as described herein will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. Ares is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations; such ESG initiatives, policies, and procedures are not necessarily (and are not purported to be) deployed in connection with each investment. Statements about ESG initiatives or practices related to portfolio companies also do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of, or control or influence exercised by Ares with respect to the portfolio company; and other factors as determined by investment and operation teams and/or portfolio company teams on a case-by-case basis.

Additionally, ESG factors are only some of the many factors Ares considers with respect to investments, and there is no guarantee that Ares’ implementation of its ESG program will enhance long-term value and financial returns for limited partners. To the extent Ares engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment. Additionally, there can be no assurance that Ares or its investments will be able to achieve any ESG-related objectives, that their actions will not result in outcomes that could be viewed as having a negative ESG effect, or that any historical trends will continue to occur. Actual results may be significantly different from the forward-looking statements herein.

Certain information contained herein relating to any goals, targets, intentions, or expectations, including with respect to climate targets and related timelines, is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Further, statistics and metrics relating to ESG matters may be estimates and subject to assumptions or developing standards (including Ares’ internal standards and policies). There is no guarantee that Ares will remain a signatory, supporter, or member of any ESG initiatives or other similar industry groups or frameworks.

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